

FILED

JAN 23 2014

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
EAST ST. LOUIS OFFICE

UNITED STATES OF AMERICA,

Plaintiff,

v.

RANCE WHITE,

Defendant.

Criminal No. 14-30010-MJR

INDICTMENT

THE GRAND JURY CHARGES:

1. The Defendant, **RANCE WHITE**, together with others, participated in a "recovery scheme," a scheme to re-victimize those who had already been victimized in a timeshare resale fraud through the false promise of a restitution award.

2. In a timeshare resale scam, timeshare owners are contacted by someone who claims to have a buyer for the person's timeshare property. In exchange for an upfront fee (typically in excess of \$1,000), the telemarketer promises that the sale will be finalized within a certain period of time and that a check for the sale price (typically in excess of \$20,000) will then be delivered to the customer. No sale ever occurs, and the fraudulent company simply pockets the money. Thousands of timeshare owners across the country have fallen victim to this scam.

3. South Florida is a hotbed for timeshare resale fraud, and in recent years, several major timeshare resale operations located in Palm Beach County, Florida, have been investigated and prosecuted in the Southern District of Illinois, including companies called Universal Marketing Solutions (UMS), Creative Vacation Solutions (CVS), and American Marketing Group (AMG). One of the most publicized of these prosecutions was the case against former

CVS CEO Jennifer Kirk: *United States v. Kirk*, No. 3:11-CR-30093-GPM. Kirk was sentenced to 188 months imprisonment (which was later reduced for cooperation credit), but due to the large number of victims (over 22,000) and the complexity of trying to determine which victims had been refunded, she was not ordered to make restitution.

4. Since July 31, 2012, timeshare resale victims across the country have been contacting the United States Attorney's Office and/or the United States Postal Inspection Service in the Southern District of Illinois to report having been contacted by telephone by someone claiming that they (the victims) were entitled to a restitution award specifically designated for victims of timeshare resale fraud, including victims of UMS, CVS, and AMG. Some victims received e-mail messages after the initial contact by telephone.

5. In scam e-mails from the late summer and fall of 2012, victims were told they were entitled to a settlement in the case of the *State of Florida vs. Jennifer Kirk* or the *State of Florida vs. Jeff George*.¹ These e-mails also gave the name of an attorney who supposedly works in the "Economic Crimes Division," of the 15th Circuit Court in Palm Beach County, Florida, and whom the victim is told to contact in order to obtain the promised restitution. The e-mails state that an advance fee, typically several hundred dollars, is required in order to "claim and release your package." Victims who called the phone number listed were told that the fee needed to be sent via Western Union or MoneyGram.

6. In August 2012, a U.S. Postal Inspector, acting in an undercover capacity on behalf of a victim contacted by the scam, sent undercover funds totaling \$129 to pay the requested fees via Western Union from Fairview Heights, Illinois. The first attempt to collect the fees were at a Western Union outlet at a West Palm Beach, Florida Publix grocery store later

¹ George was a principal at AMG.

in the day on August 2, 2012, but the transaction could not be paid out because of an incorrect answer to the test question. The payment was subsequently picked up on August 3, 2012, at a check cashing store in West Palm Beach, Florida.

7. Publix maintained photographs of the person who attempted to pick up that fraud transaction as well as a separate Western Union payment at the same store the next day. Witnesses familiar with the Defendant, **RANCE WHITE**, have identified him as the person depicted in the photographs.

8. The man who picked up the payment on August 3, 2012, was driving a blue Ford Expedition with Florida license plate J66-5A5, a vehicle registered to Tina Louise White – formerly an employee of Jennifer Kirk at Creative Vacation Solutions and a manager under Jeff George at American Marketing Group. The Defendant, **RANCE WHITE**, is her son.

9. In January 2013, victim complaints relating to the “15th Circuit Court” scam changed slightly, indicating they were related to the “19th Circuit Court,” which covers St. Lucie County, Florida, just north of the Palm Beach County-based 15th Circuit Court. The details of the scam remained the same, *i.e.*, a settlement was available in the Kirk/George cases, but that an advanced fee of several hundred dollars was needed for fees. Complaints relating to the “19th Circuit Court” became prevalent in Winter 2012, and continued throughout the following Spring.

10. In the “19th Circuit Court” scam, a Southern District of Illinois case number, 11-30093-GPM, was explicitly referenced in calls and/or e-mails to victims promising restitution. Case number 11-30093-GPM is the case for *United States v. Jennifer Kirk* who was sentenced by Judge G. Patrick Murphy on January 11, 2012 to 188 months in prison. Claims by telemarketers that a settlement is available in case number 11-30093-GPM are fraudulent on

their face, as Judge Murphy waived restitution in the case due to the difficulty of identifying victims, as well as the difficulty of determining which victims had already received refunds.

11. In May 2013, the scam evolved once again, changing from the "19th Circuit Court" to the "2nd District Settlement Office." This variation also started utilizing the U.S. Department of Justice seal, and also specifically referenced the "Department of Justice" in the text of the email solicitation. Despite these slight variations, the substance of the scam e-mails remained similar to the earlier iterations, and "2nd District Settlement Office" complaints have continued coming in to Postal Inspection Service personnel, most recently in late October 2013.

12. An integral part of the scam is the unauthorized use of the names of actual Florida lawyers in the e-mail and telephone solicitations, including JW, MG, PD, CK and CM all of whom can be located on the Florida Bar website at www.floridabar.org.

13. In at least one instance (Mesa), the Bar ID number for the attorney was provided to the victim by the telemarketer. The scammers also created lawyer.com e-mail addresses with the above attorney names to add legitimacy to the scheme. The lawyer.com domain is not sanctioned by any state bar organization, but rather is operated by 1&1 Internet, Inc., a private company, and anyone can obtain a lawyer.com e-mail address without a background check.

14. 1&1 Internet, Inc. maintained a log of Internet Protocol ("IP") addresses that were used to access the e-mail address [MG][@lawyer.com](mailto:[MG]@lawyer.com). Several of the IP addresses were associated with Comcast Communications

15. An IP address associated with [MG][@lawyer.com](mailto:[MG]@lawyer.com) (50.XXX.XX.75) was assigned to Tina Wilson, 10312 Fox Trail Rd S, Apt. 1004, West Palm Beach, FL 33411. Tina Wilson is a former married name of Tina White. The residence located at 10312 Fox Trail Rd S, Apt. 1004, West Palm Beach, FL 33411 is the known residence of Tina White and **RANCE WHITE**.

16. In the summer of 2013, victims began stating that instead of utilizing Western Union or MoneyGram to send payment, they were instructed to send funds through NetSpend Corporation. NetSpend cards can be obtained at many retail locations, and funds loaded onto the cards by victims can then be transferred to another individual's NetSpend account, and the funds can subsequently be withdrawn at ATMs or used to purchase goods or services similar to a debit card.

17. One victim provided to investigators the NetSpend card number he purchased, and a subpoena revealed that the victim's funds were transferred to the account of **RANCE WHITE**, 975 Briarwood Dr., West Palm Beach, FL 33415. The Briarwood Dr. address is a former residence of both **RANCE WHITE** and Tina White. The NetSpend records also list the IP addresses that were utilized on-line to check on the status of the NetSpend account. As with the [MG]@lawyer.com e-mail address described above, an IP address used to check the NetSpend account was linked to Tina White's apartment.

18. On November 5, 2013, inspectors interviewed a cooperating witness who formerly worked with Tina White at AMG. The witness identified **RANCE WHITE** as the person that participated in the restitution scam. The witness also implicated himself, Tina White, and others in the scheme.

COUNT 1

Conspiracy to Commit Mail and Wire Fraud – 18 U.S.C. §1349

1. Beginning on or about July 5, 2012, and continuing until on or about October 2013, more exact dates being unknown to the Grand Jury, in St. Clair County, Illinois, within the Southern District of Illinois, and elsewhere, the defendant,

RANCE WHITE,

and others both known and unknown to the Grand Jury, did knowingly and willfully combine, conspire, confederate and agree among themselves and each other to commit certain offenses against the United States, as follows:

A. To devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme, and attempting so to do, knowingly to cause mail matter and other documents to be sent and delivered by the United States Postal Service and commercial interstate carrier to and from Florida, and elsewhere, and the Southern District of Illinois, in violation of Title 18, United States Code, Section 1341.

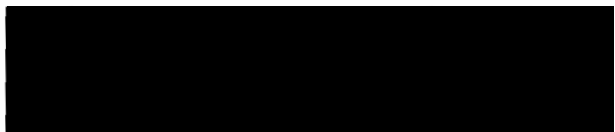
B. To devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme, and attempting so to do, knowingly to cause interstate telephone calls, credit card transactions, electronic fund transfers, and other signals to be transmitted in interstate and foreign commerce by means of wire and radio communication, in violation of Title 18, United States Code, Section 1343.


2. In furtherance of and as a foreseeable consequence of the conspiracy, **RANCE WHITE** caused interstate telephone calls to be placed to the Southern District of Illinois.

All in violation of Title 18, United States Code, Section 1349.

The offense occurred in connection with the conduct of telemarketing, in violation of the SCAMS Act, punishable under Title 18, United States Code, Section 2326(1).

A TRUE BILL



A handwritten signature in black ink, appearing to read 'B. Reppert', written over a horizontal line.

BRUCE E. REPPERT

WILLIAM E. COONAN

Assistant United States Attorneys

A handwritten signature in black ink, appearing to read 'S. Wigginton', written over a horizontal line.

STEPHEN B. WIGGINTON

United States Attorney

Recommended bond: \$50,000 cash